

STATE OF NEW MEXICO

**CIUDAD SOIL AND WATER
CONSERVATION DISTRICT**

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED UPON PROCEDURES**

FOR THE YEAR-ENDED JUNE 30, 2018

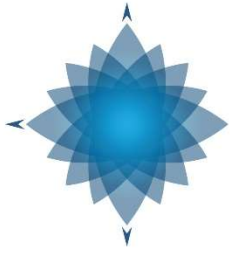


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CIUDAD SOIL AND WATER CONSERVATION DISTRICT
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FOR THE YEAR ENDED JUNE 30, 2018**

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**STATE OF NEW MEXICO
CIUDAD SOIL AND WATER CONSERVATION DISTRICT
OFFICIAL ROSTER
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Board of Supervisors</u>	<u>Title</u>
J. Steven Glass	Chairman
Thomas Allen	Vice-Chairman
Zoe L. Economou	Treasurer
Maria Young	Supervisor
Dan Conklin	Supervisor



**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED UPON PROCEDURES**

Wayne Johnson
New Mexico State Auditor
and
Members of the Board
Ciudad Soil and Water Conservation District
Albuquerque, New Mexico

We have performed the procedures enumerated below, which were agreed by the State of New Mexico, Ciudad Soil and Water Conservation District (District) for the year ended June 30, 2018, solely to assist you with respect to the District's compliance for a Tier 4 engagement of Tier 4 of the Audit Act Section 12-6-1 NMSA 1978 et seq. The procedures were agreed to by the District through the Office of the New Mexico State Auditor. The Ciudad Soil and Water Conservation District management is responsible for the organization's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the America Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purposes for which this report has been requested or for any other purpose.

The procedures we performed, and the associated findings are included in this report.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Tier 4 agreed upon procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and others within the District, the State Auditor, the Department of Finance and Administration – Local Government Division, and the New Mexico State Legislature and is not intended to be and should not be used by anyone other than these specified parties.

Integrity Accounting + Consulting, LLC

Integrity Accounting & Consulting, LLC
Albuquerque, NM

November 21, 2018

**STATE OF NEW MEXICO
CIUDAD SOIL AND WATER CONSERVATION DISTRICT
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Our procedures and findings are as follows:

1. Verify Tier

Procedures

- a. Verify the local public body's revenue calculation and tier determination documented on the form provided at www.osanm.org under "Tiered System Reporting Main Page"

Results of Procedures Performed

- a. We verified the District's revenue calculation and tier determinations. The District's cash basis revenue was between the Tier 4 lower and upper limits and had no state capital outlay.

2. Cash

Procedures

- a. Determine whether bank reconciliations are being performed in a timely manner and whether all bank and investment statements for the fiscal year are complete and on-hand.
- b. Test at least 30% of the bank reconciliations for accuracy. Also trace ending balances to the general ledger, supporting documentation, and the financial reports submitted to DFA-Local Government Division.
- c. Determine whether the local public body's financial institutions have provided it with the 50% of pledged collateral on all uninsured deposits as required by Section 6-10-17 NMSA 1978, NM Public Money Act, if applicable.

Results of Procedures Performed

- a. The bank reconciliations were performed monthly in a timely manner. All bank statements for the fiscal year were complete and on hand. For the period July 1, 2017 through June 30, 2018, the District had one checking account.
- b. The randomly selected bank reconciliations were accurate, and the ending balances on the bank reconciliations agreed with the District's general ledger, supporting documentation and the financial reports submitted to DFA-LGD.
- c. The District currently has one bank account and this one did not exceed FDIC coverage limit of \$250,000 during the year.

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CIUDAD SOIL AND WATER CONSERVATION DISTRICT
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3. Capital Assets

Procedures

- a. Verify that the local public body is performing a yearly inventory as required by Section 12-6-10 NMSA 1978.

Results of Procedures Performed

- a. Capital assets of the District include data processing equipment, furniture and fixtures, and equipment. The District performed a yearly inventory and has an official listing of the capital assets.

4. Revenue

Procedures

Identify the nature and amount of revenue from sources by reviewing the budget, agreements, rate schedules, and underlying documentation.

- a. Perform an analytical review; test actual revenue compared to budgeted revenue for the year for each type of revenue.

Select a sample of revenues equal to at least 30% of the total dollar amount and test the following attributes:

- b. Amount recorded in the general ledger agrees to the supporting documentation and the bank statement.
- c. Proper recording of classification, amount, and period per review of supporting documentation and the general ledger. Perform this revenue work on the same accounting basis that the local public body keeps its accounting records on, cash basis, modified accrual basis, or accrual basis.

Results of Procedures Performed

- a. An analytical review of prior-year to current-year revenue revealed no unexplained or unusual variations. The test of actual revenue compared to budgeted revenue for the year for each type of revenue revealed no exceptions.
- b. We requested supporting documentation for twenty (20) deposits (83% of total revenue) from a total of 53 deposits for the year. For the sample selected, the amount recorded in the general ledger agreed with the supporting documentation and the bank statement.
- c. Per review of supporting documentation for the transactions tested, amounts were properly recorded on a cash basis as to classification, amount and period.

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5. Expenditures

Procedures

Select a sample of cash disbursements equal to at least 30% of the total dollar amount and test the following attributes:

- a. Determine that amount recorded as disbursed agrees to adequate supporting documentation. Verify that amount, payee, date and description agree to the vendor's invoice, purchase order, contract and canceled check, as appropriate.
- b. Determine that disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.
- c. Determine that the bid process (or request for proposal process if applicable), purchase orders, contracts and agreements were processed in accordance with the New Mexico Procurement Code (Section 13-1-28 through 13-1-199 NMSA 1978) and State Purchasing Regulations (1.4.1 NMAC) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).

Results of Procedures Performed

- a) We requested supporting documentation for sixty-five (65) disbursements (44% of total expenses) out of a total of 244 disbursements for the year. The amounts recorded as disbursed agreed with the supporting documentation. The amount, payee, date and description of the purchase agreed with the vendor's invoice, contract and canceled check. The District does not use purchase order forms.
- b) For the sample selected, disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.
- c) The bid process (or request for proposal process, if applicable), purchase orders, contracts and agreements were processed in accordance with the New Mexico Procurement Code (Section 13-1-28 through 13-1-99 NMSA 1978) and State Purchasing Regulations (1.4.1 NMAC) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).

6. Journal Entries

Procedures

Test all non-routine journal entries, adjustments, and reclassifications posted to the general ledger for the following attributes:

- a. Journal entries appear reasonable and have supporting documentation.

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FOR THE YEAR ENDED JUNE 30, 2018**

- b. The local public body has procedures that require journal entries to be reviewed and there is evidence the reviews are being performed.

Results of Procedures Performed

There were no non-routine journal entries were posted to the general ledger during the fiscal year. Review of the general ledger during the course of the engagement, did not identify any journal entries recorded by the District.

7. Budget

Procedures

Obtain the original fiscal year budget and all budget amendments made throughout the fiscal year and perform the following:

- a. Verify, through a review of the minutes and correspondence, that the original budget and subsequent budget adjustments were approved by the local public body's governing body and DFA-LGD.
- b. Determine if the total actual expenditures exceeded the final budget at the legal level of budgetary control; if so, report a compliance finding.
- c. From the original and final approved budgets and general ledger, prepare a schedule of revenues and expenditures - budget and actual on the budgetary basis used by the local public body (cash, accrual or modified accrual basis) for each individual fund.

Results of Procedures Performed

- a) Verified through the minutes and correspondence that the original budget was approved by the District's governing body and was approved by DFA-LGD on July 21, 2017. The District made one budget adjustment in FY18 that was approved by the Resolution 2018-02.
- b) Total actual expenditures did not exceed the final budget at the total fund level, the legal level of budgetary control.
- c) A schedule of revenues and expenditures – budget and actual (page 8) was prepared from the DFA-LGD approved budget and the District's records on the cash budgetary basis used by the District, revealed no exceptions.

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8. Other

Procedures

If information comes to the IPA's attention (regardless of materiality) indicating any fraud, illegal acts, noncompliance, or any internal control deficiencies, such instances must be disclosed in the report as required by Section 12-6-6 NMSA 1978. The findings must include the required content per Section 2.2.2.10(1)(3)(C) NMAC.

Results of Procedures Performed

No exceptions were found as a result of applying the procedures described above (regardless of materiality) indicating any fraud, illegal acts, noncompliance or any internal control deficiencies.

STATE OF NEW MEXICO
CIUDAD SOIL AND WATER CONSERVATION DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Grants				
Federal grants	\$ 248,549	154,301	154,301	-
Local/Private Grants	215,003	258,846	258,846	-
Legislative funding	14,000	15,053	15,053	-
Miscellaneous income	-	301	301	-
Total revenues	<u>477,552</u>	<u>428,501</u>	<u>428,501</u>	-
Expenditures:				
Current:				
Personnel services	80,050	80,397	80,397	-
Contractual services	204,600	152,844	152,844	-
Operating expense	93,555	124,144	124,144	-
Field supplies	7,300	3,977	3,977	-
Vehicle expense	4,284	4,444	4,444	-
Advertising	2,500	1,992	1,992	-
Annual audit	3,210	3,106	3,106	-
Liability and workers compensation insurance	1,366	1,603	1,603	-
Telephone, internet, postage	990	394	394	-
Supplies	125	556	556	-
Legal notices	250	680	680	-
Traning and workshops	125	98	98	-
Depreciation	-	1,030	1,030	-
Miscellaneous	50	628	628	-
Total expenditures	<u>398,405</u>	<u>375,893</u>	<u>375,893</u>	-
Excess (deficiency) of revenues over (under) expenditures	79,146	52,608	52,608	-
Budgeted cash carryover				
Net change in fund balance	<u>\$ 79,146</u>	<u>52,608</u>		

SWCD:
Ciudad

Period Ending: 6/30/2018

REVENUES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	% OF BUDGET
General Fund 101				
Total Property Tax Production To Date	0	0	0	
Total Interest From Bank Accounts and CDs	0	0	0	
Hazardous Fuels Income	0	0	0	
Grass Seed and or Tree Sales	0	0	0	
Book Sales	0	0	0	
Rent Revenue	0	0	0	
Brush Control Materials	0	0	0	
Terraine Management	-	-	-	
Federal Grants	20,497.59	106,563.72	106,563.72	100%
State Grants	-	-	-	
Local / Private Grants	10,465.58	258,845.97	258,845.97	100%
Legislative Funding	-	15,053.31	15,053.31	0%
Micellaneous	289.00	301.00	301.00	100%
Cost Share	21,184.00	47,737.23	47,737.23	100%
	-	-	-	
TOTAL GENERAL FUND REVENUES	52,436.17	428,501.23	428,501.23	1
Intergovernmental Grants 218				
State or University Grants	0	0	0	
Federal Grants	0	0	0	
State Grants	0	0	0	
Local Grants	0	0	0	
Private Grants	0	0	0	
Legislative Funding	0	0	0	
Miscellaneous (e.g. NMDA)	0	0	0	
TOTAL GRANT REVENUES	\$ -	\$ -	\$ -	-
Other 299				
Contract Services	0	0	0	
Educational Income	0	0	0	
Charges for Services	0	0	0	
Capital Outlay Funded	0	0	0	
Project Income-Conservation & Environmental	0	0	0	
Emergency Watershed Protection Program	0	0	0	
Project Income - Reloan Program	0	0	0	
Project Expenses Income	0	0	0	
Silent Auctions	0	0	0	
Miscellaneous	0	0	0	
OTHER FUND 299 FROM DETAIL TAB	0	0	0	
TOTAL OTHER 299	\$ -	\$ -	\$ -	-
Debt Service 400				
General Obligation Bonds	0	0	0	
General Obligation - (Property Tax)	0	0	0	
Investment Income	0	0	0	
Other - Misc	0	0	0	
Revenue Bonds	0	0	0	
Bond Proceeds	0	0	0	
Revenue Bonds - GRT	0	0	0	
Investment Income	0	0	0	
Revenue Bonds - Other	0	0	0	
Miscellaneous (NMFA, BOF, etc.)	0	0	0	
Investment Income	0	0	0	
Loan Revenue	0	0	0	
TOTAL DEBT SERVICE REVENUES	\$ -	\$ -	\$ -	-
GRAND TOTALS REVENUES- CURRENT QTR	\$ 52,436	\$ 428,501	\$ 428,501	1

NOTE: If this report is for the first quarter YEAR TO DATE will be the same as the CURRENT QUARTER.

SWCD:
Ciudad

Period Ending: 6/30/2018

EXPENDITURES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET 6/30/18	% OF BUDGET
GENERAL FUND 101				
Personnel Services, (Salaries and Benefits)	25,658	80,505	80,505	100%
Mileage and Per Diem	0	0	0	
Vehicle Expense (Insurance, gas, maintenance)	1,306	4,444	4,444	100%
Building Expenses (e.g. rent/maintenance)	0	0	0	
Utilities (Electricity, Natural Gas, Propane, Water, Sewer)	0	0	0	
Telephone	0	279	279	100%
Postage Expense	60	115	115	100%
OfficeSupplies and Other Expenses	25	621	621	100%
Office Furniture and Equipment	0	0	0	
Advertising and Public Relations (e.g. newsletter)	308	1,992	1,992	100%
Training, Workshops & Education expense	0	98	98	100%
Annual Audit/Financial Report Expenses	0	3,106	3,106	100%
Dues and Board Fees	0	227	227	100%
Election Expense	0	0	0	
Field Supplies & Equipment	2,835	3,977	3,977	100%
Cost Sharing Expense	0	36,443	36,443	100%
Brush Control Expenses	0	0	0	
Contractual Fees and Other Services (Comm. Proj.)	20,662	117,754	117,754	100%
GRT Taxes	0	0	0	
Miscellaneous (e.g. Meetings)	0	0	0	
Operational Expense	40,621	123,769	123,769	100%
Legal Notices	148	680	680	100%
State Liability/ WC Insurance	187	1,603	1,603	100%
Telephone and Internet Expense	0	279	279	100%
			0	
Total General Fund Expenditures	\$ 91,810	\$ 375,893	\$ 375,893	100%
Intergovernmental Grants Expenditures 218				
State or University Grants	0	0	0	
Federal Grants	0	0	0	
State Grants	0	0	0	
Local Grants	0	0	0	
Private Grants	0	0	0	
Legislative Funding	0	0	0	
Other	0	0	0	
Total Grant Expenditures	\$ -	\$ -	\$ -	
Other Expenditures 299				
Loan Payments	0	0	0	
Capital Outlay Expenses/Capital Projects	0	0	0	
Conservation and Environmental Control Expenses	0	0	0	
Bonding	0	0	0	
All Other Insurance	0	0	0	
Loan Program Expenses including Loan Repayments	0	0	0	
Miscellaneous Expenses	0	0	0	
OTHER FUND 299 FROM DETAIL TAB	0	0	0	
Total Other Expenditures	\$ -	\$ -	\$ -	
Debt Service 400				
Bond Payments Principal	0	0	0	
Bond Payments- Interest	0	0	0	
Other Debt Service	0	0	0	
Total Debt Service Expenditures	0	0	0	
TOTAL EXPENDITURES Current Quarter	\$ 91,810	\$ 375,893	\$ 375,893	1

NOTE: If this report is for the first quarter YEAR TO DATE will be the same as the CURRENT QUARTER.

**STATE OF NEW MEXICO
CIUDAD SOIL AND WATER CONSERVATION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2018**

PRIOR YEAR FINDINGS

NONE

CURRENT YEAR FINDINGS

NONE

**STATE OF NEW MEXICO
CIUDAD SOIL AND WATER CONSERVATION DISTRICT
OTHER DISCLOSURES
FOR THE YEAR ENDED JUNE 30, 2018**

B. EXIT CONFERENCE

The contents of the report for the Ciudad Soil and Water Conservation District were discussed on, November 21 2018. The following individuals were in attendance.

Ciudad Soil and Water Conservation District Officials

Steve Glass, Chair

Zoe Economou, Treasurer

Astrid Hueglin, Fiscal Admin

Integrity Accounting & Consulting Personnel

Erick Robinson, CPA, CFE Partner